

SENATE BILL 381

Unofficial Copy
P3

2004 Regular Session
(4lr2038)

ENROLLED BILL
-- Budget and Taxation/Appropriations --

Introduced by **Senators Jones, Britt, Conway, Currie, Garagiola, Grosfeld,
Hogan, Hughes, Kramer, Lawlah, and McFadden**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **State Agencies - Managing for Results**

3 FOR the purpose of ~~creating the Managing for Results Strategic Planning Committee;~~
4 ~~providing for membership of the Committee; requiring the Secretary of Budget~~
5 ~~and Management to serve as chairperson of the Committee; requiring the~~
6 ~~Committee to provide oversight to certain agencies on developing and~~
7 ~~implementing a managing for results agency strategic plan; requiring the~~
8 ~~Committee to develop and submit to the Governor, General Assembly, and the~~
9 Department of Budget and Management to develop a managing for results State
10 comprehensive plan on or before a certain date; ~~requiring the Committee to~~
11 ~~review a certain report and select certain objectives and performance measures~~
12 ~~on or before a certain date; requiring the Committee to meet at least twice a~~
13 ~~year to evaluate the progress of certain State agencies in achieving the goals~~
14 ~~developed in the managing for results State comprehensive plan; requiring the~~
15 ~~Committee~~ Department to review and update certain goals, objectives, and
16 performance measures on a biennial basis; ~~establishing the term of membership~~

1 for Committee members; authorizing a member of the Committee to receive
 2 reimbursement for certain expenses; authorizing the Department to provide
 3 certain staff support for the Committee; requiring the Committee to report on or
 4 before a certain date to the Governor and General Assembly on whether certain
 5 objectives and performance measures are adequate to measure certain goals, on
 6 the progress of certain State agencies in achieving certain goals, and the reasons
 7 why certain goals have not been achieved; requiring certain State agencies to
 8 select a certain number of goals in conjunction with the Department that are
 9 compatible with the managing for results State comprehensive plan, or that are
 10 consistent with the mission of the agency; requiring certain State agencies to
 11 develop on or before a certain date a managing for results agency strategic plan
 12 that includes a mission statement, agency goals, objectives, defined performance
 13 measures, ~~a description of methods and indications used to evaluate certain~~
 14 ~~performance measures, including~~ a description of certain internal controls, an
 15 identification of certain customers and stakeholders, ~~an analysis of certain~~
 16 ~~resources used to meet certain agency needs;~~ and an analysis of certain
 17 performance measures including statistics and estimates for certain periods;
 18 requiring certain agencies to maintain documentation of certain internal
 19 controls for review by certain auditors; ~~requiring the Department to report to~~
 20 ~~the Committee on or before certain dates on certain agency objectives and~~
 21 ~~performance measures developed in the managing for results agency strategic~~
 22 ~~plan, and the progress made by certain agencies in achieving certain goals;~~
 23 requiring the Department to present to certain committees of the General
 24 Assembly on ~~a certain date~~ certain dates a report on the progress of the
 25 Department and certain agencies in achieving certain goals, ~~and the progress of~~
 26 ~~the Committee on monitoring and evaluating certain goals; authorizing the~~
 27 ~~Department to adopt certain regulations; goals;~~ requesting the Governor to
 28 review a certain report Secretary of Budget and Management to review certain
 29 reports and make certain budgetary changes as necessary; ~~requiring the~~
 30 ~~Secretary to include in the draft budget the managing for results agency~~
 31 ~~strategic plan prepared by an agency;~~ requiring the budget books to contain
 32 certain limited information from an agency's managing for results agency
 33 strategic plan; requiring the Office of Legislative Audits to review certain
 34 performance measures; ~~providing certain defined terms; providing for the~~
 35 ~~expiration of terms of certain board members; defining certain terms; requiring~~
 36 ~~the Department to include certain members of the General Assembly and~~
 37 ~~certain staff in a certain internal planning process of the Department; requiring~~
 38 ~~a certain report by a certain date;~~ and generally relating to managing for results.

39 BY adding to

40 Article - State Finance and Procurement

41 Section 3-1001 through ~~3-1004~~ 3-1003, inclusive, to be under the new subtitle

42 "Subtitle 10. Managing for Results"

43 Annotated Code of Maryland

44 (2001 Replacement Volume and 2003 Supplement)

45 BY repealing and reenacting, with amendments,

46 Article - State Finance and Procurement

1 Section ~~7-102(a), 7-104(b), and 7-121(a)~~
 2 Annotated Code of Maryland
 3 (2001 Replacement Volume and 2003 Supplement)

4 BY repealing and reenacting, without amendments,
 5 Article - State Finance and Procurement
 6 Section 7-102(a) and 7-104(b)
 7 Annotated Code of Maryland
 8 (2001 Replacement Volume and 2003 Supplement)

9 BY repealing and reenacting, with amendments,
 10 Article - State Government
 11 Section 2-1221(b)
 12 Annotated Code of Maryland
 13 (1999 Replacement Volume and 2003 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - State Finance and Procurement**

17 **SUBTITLE 10. MANAGING FOR RESULTS.**

18 3-1001.

19 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 20 INDICATED.

21 (B) "AGENCY" MEANS AN ENTITY OF THE EXECUTIVE BRANCH OF STATE
 22 GOVERNMENT.

23 (C) "GOAL" MEANS ~~THE PURPOSE TOWARD WHICH AN AGENCY DIRECTS ITS~~
 24 ~~EFFORTS TO PRODUCE A BROAD STATEMENT THAT DESCRIBES THE DESIRED~~
 25 ~~LONG-TERM RESULTS THAT TOWARD WHICH AN AGENCY DIRECTS ITS EFFORTS.~~
 26 GOALS SUPPORT, CLARIFY, AND PROVIDE DIRECTION TO THE AGENCY'S MISSION AND
 27 THAT SUPPORT ASSIST IN THE APPLICATION OF STATE RESOURCES TOWARD
 28 IMPLEMENTATION OF THE MANAGING FOR RESULTS STATE COMPREHENSIVE PLAN.

29 (D) "MANAGING FOR RESULTS" MEANS A ~~FUTURE-ORIENTED PROCESS THAT~~
 30 ~~EMPHASIZES DEPLOYMENT OF RESOURCES TO ACHIEVE MEANINGFUL RESULTS AND~~
 31 ~~INCLUDES PLANNING, ACCOUNTABILITY, AND CONTINUOUS IMPROVEMENT IN~~
 32 ~~AGENCY PERFORMANCE AND BUDGETING~~ PLANNING, PERFORMANCE
 33 MEASUREMENT, AND BUDGETING PROCESS THAT EMPHASIZES USE OF RESOURCES
 34 TO ACHIEVE MEASURABLE RESULTS, ACCOUNTABILITY, EFFICIENCY, AND
 35 CONTINUOUS IMPROVEMENT IN STATE GOVERNMENT PROGRAMS.

1 (E) "MISSION" MEANS A ~~SHORT COMPREHENSIVE STATEMENT OF THE~~
 2 ~~REASON THE PURPOSE~~ FOR AN AGENCY'S EXISTENCE AND INCLUDES A DESCRIPTION
 3 OF WHAT AN AGENCY DOES AND FOR WHOM IT DOES IT.

4 (F) "OBJECTIVE" MEANS A SPECIFIC AND MEASURABLE SHORT-TERM TARGET
 5 FOR ACHIEVEMENT OF AN AGENCY'S GOALS AND INCLUDES A DESCRIPTION OF THE
 6 DESIRED RESULTS AND A ~~TIMETABLE~~ TARGET DATE FOR ACCOMPLISHMENT.

7 (G) (1) "PERFORMANCE MEASURE" MEANS A QUANTITATIVE OR
 8 QUALITATIVE INDICATOR USED TO ASSESS WHETHER AN AGENCY IS MEETING ITS
 9 GOALS AND OBJECTIVES.

10 (2) "PERFORMANCE MEASURE" INCLUDES THE FOLLOWING:

11 (I) AN EFFICIENCY MEASURE THAT ~~EVALUATES HOW WELL AN~~
 12 ~~AGENCY USES RESOURCES TO PRODUCE GOODS OR SERVICES; QUANTIFIES THE~~
 13 ~~RELATIONSHIP BETWEEN MEASURES OF THE INPUTS USED TO PRODUCE GOODS OR~~
 14 ~~SERVICES AND THE MEASURES OF THE OUTPUTS OF THESE ACTIVITIES;~~

15 (II) AN INPUT MEASURE THAT ~~EVALUATES~~ QUANTIFIES THE
 16 AMOUNT OF RESOURCES USED TO PROVIDE GOODS AND SERVICES;

17 (III) AN OUTCOME MEASURE THAT ~~EVALUATES~~ QUANTIFIES THE
 18 RESULTS AN AGENCY ACHIEVES ~~AND THE BENEFITS CUSTOMERS GET FROM THE~~
 19 ~~AGENCY OR THE BENEFITS CITIZENS RECEIVE FROM AN AGENCY'S ACTIVITIES;~~

20 (IV) AN OUTPUT MEASURE THAT ~~EVALUATES~~ QUANTIFIES THE
 21 AMOUNT OF GOODS AND SERVICES PRODUCED BY THE AGENCY; AND

22 (V) A QUALITY MEASURE THAT ~~EVALUATES THE EFFECTIVENESS~~
 23 ~~OF THE AGENCY IN MEETING~~ QUANTIFIES OR DESCRIBES:

24 1. ~~AGENCY OBJECTIVES; AND~~ THE EFFECTIVENESS OF THE
 25 AGENCY IN MEETING AGENCY OBJECTIVES;

26 2. ~~THE EXPECTATIONS OF THE AGENCY'S CUSTOMERS AND~~
 27 ~~STAKEHOLDERS. ASPECTS OF THE SATISFACTION THAT CUSTOMERS MAY OR MAY~~
 28 ~~NOT HAVE WITH STATE GOODS OR SERVICES; OR~~

29 3. HOW STATE GOODS OR SERVICES COMPARE TO SOME
 30 EXTERNAL OR INTERNAL STANDARD.

31 ~~(H) "PLANNING COMMITTEE" MEANS THE MANAGING FOR RESULTS~~
 32 ~~STRATEGIC PLANNING COMMITTEE.~~

33 ~~(H)~~ (H) "STATE COMPREHENSIVE PLAN" MEANS A STATEMENT OF GOALS
 34 WHICH SERVE AS A BROAD DIRECTIVE FOR ~~IMPROVEMENT AND PRESERVATION OF~~
 35 IMPROVING OR MAKING MORE COST EFFECTIVE STATE RESOURCES AND SERVICES.
 36 THE PLAN SHALL INCLUDE NO MORE THAN 10 STATEWIDE GOALS AND 50 TO 100

1 PERFORMANCE MEASURES THAT DESCRIBE THE STATEWIDE PROGRESS TOWARDS
2 ITS GOALS.

3 ~~(F)~~ (I) "STRATEGIC PLAN" MEANS A STATEMENT OF DIRECTION
4 IMPLEMENTED BY AN AGENCY TO CARRY OUT ITS MISSION.

5 ~~3-1002.~~

6 ~~(A) THERE IS A MANAGING FOR RESULTS STRATEGIC PLANNING COMMITTEE~~
7 ~~IN THE DEPARTMENT.~~

8 ~~(B) THE PLANNING COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:~~

9 ~~(1) TWO MEMBERS OF THE SENATE APPOINTED BY THE PRESIDENT OF~~
10 ~~THE SENATE;~~

11 ~~(2) TWO MEMBERS OF THE HOUSE OF DELEGATES APPOINTED BY THE~~
12 ~~SPEAKER OF THE HOUSE;~~

13 ~~(3) THE SECRETARY OF THE DEPARTMENT, OR THE SECRETARY'S~~
14 ~~DESIGNEE; AND~~

15 ~~(4) THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:~~

16 ~~(i) SIX REPRESENTATIVES OF AGENCIES, EACH APPOINTED FROM~~
17 ~~SEPARATE AGENCIES; AND~~

18 ~~(ii) TWO MEMBERS OF THE PUBLIC.~~

19 ~~(C) THE SECRETARY SHALL SERVE AS CHAIRPERSON OF THE COMMITTEE.~~

20 ~~(D) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.~~

21 ~~(2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS~~
22 ~~REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE COMMITTEE ON JULY 1,~~
23 ~~2004.~~

24 ~~(3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO~~
25 ~~SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

26 ~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES~~
27 ~~ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND~~
28 ~~QUALIFIES.~~

29 ~~(5) AN APPOINTED MEMBER MAY NOT SERVE MORE THAN TWO~~
30 ~~CONSECUTIVE TERMS.~~

31 ~~(E) A MEMBER MAY NOT RECEIVE COMPENSATION FOR SERVING ON THE~~
32 ~~PLANNING COMMITTEE BUT IS ENTITLED TO REIMBURSEMENT FOR EXPENSES~~
33 ~~UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE~~
34 ~~BUDGET.~~

1 (F) THE DEPARTMENT SHALL PROVIDE STAFF SUPPORT FOR THE PLANNING
2 COMMITTEE.

3 (G) THE PLANNING COMMITTEE SHALL:

4 (1) PROVIDE OVERSIGHT OF AGENCIES IN THE DEVELOPMENT AND
5 IMPLEMENTATION OF THE MANAGING FOR RESULTS AGENCY STRATEGIC PLAN
6 REQUIRED UNDER THIS SUBTITLE;

7 (2) DEVELOP AND SUBMIT TO THE GOVERNOR, GENERAL ASSEMBLY,
8 AND DEPARTMENT, ON OR BEFORE JUNE 1 OF EACH EVEN-NUMBERED YEAR, A
9 MANAGING FOR RESULTS STATE COMPREHENSIVE PLAN;

10 (3) REVIEW THE REPORT ON AGENCY OBJECTIVES AND PERFORMANCE
11 MEASURES REQUIRED UNDER THIS SUBTITLE ON OR BEFORE NOVEMBER 1 OF EACH
12 EVEN-NUMBERED YEAR AND SELECT APPLICABLE OBJECTIVES AND PERFORMANCE
13 MEASURES THAT CORRESPOND TO THE GOALS DEVELOPED IN THE MANAGING FOR
14 RESULTS STATE COMPREHENSIVE PLAN AND LIMIT THE NUMBER OF PERFORMANCE
15 MEASURES TO NOT MORE THAN 100; AND

16 (4) MEET AT LEAST TWICE A YEAR TO EVALUATE THE PROGRESS OF
17 AGENCIES IN ACHIEVING THE GOALS DEVELOPED IN THE MANAGING FOR RESULTS
18 STATE COMPREHENSIVE PLAN.

19 (H) ON A BIENNIAL BASIS THE PLANNING COMMITTEE SHALL REVIEW AND
20 UPDATE AS NECESSARY THE:

21 (1) GOALS DEVELOPED IN THE MANAGING FOR RESULTS STATE
22 COMPREHENSIVE PLAN; AND

23 (2) OBJECTIVES AND PERFORMANCE MEASURES SELECTED BY THE
24 PLANNING COMMITTEE.

25 (I) BY DECEMBER 1 OF EACH YEAR, THE PLANNING COMMITTEE SHALL
26 REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT
27 ARTICLE, TO THE GENERAL ASSEMBLY ON THE STATUS OF THE MANAGING FOR
28 RESULTS STATE COMPREHENSIVE PLAN, INCLUDING:

29 (1) WHETHER THE SELECTED OBJECTIVES AND PERFORMANCE
30 MEASURES ARE ADEQUATE TO EVALUATE THE GOALS OF THE MANAGING FOR
31 RESULTS STATE COMPREHENSIVE PLAN;

32 (2) THE PROGRESS OF AGENCIES IN ACHIEVING THE GOALS DEVELOPED
33 IN THE MANAGING FOR RESULTS STATE COMPREHENSIVE PLAN; AND

34 (3) THE REASONS WHY THE GOALS DEVELOPED IN THE MANAGING FOR
35 RESULTS STATE COMPREHENSIVE PLAN HAVE NOT BEEN ACHIEVED.

1 ~~3-1003. 3-1002.~~

2 (A) THE DEPARTMENT SHALL REVIEW AND UPDATE AS NECESSARY THE:

3 (1) GOALS DEVELOPED IN THE MANAGING FOR RESULTS STATE
4 COMPREHENSIVE PLAN; AND

5 (2) THE PLAN'S OBJECTIVES AND PERFORMANCE MEASURES.

6 (B) ON OR BEFORE JULY 1 OF EACH ~~EVEN-NUMBERED~~ YEAR AN AGENCY, IN
7 CONJUNCTION WITH THE DEPARTMENT, SHALL SELECT NO MORE THAN SIX AGENCY
8 GOALS THAT ARE:

9 (1) COMPATIBLE WITH THE MANAGING FOR RESULTS STATE
10 COMPREHENSIVE PLAN; OR

11 (2) CONSISTENT WITH THE AGENCY'S MISSION IF THE GOALS
12 IDENTIFIED IN THE MANAGING FOR RESULTS STATE COMPREHENSIVE PLAN DO NOT
13 APPLY TO THE AGENCY.

14 ~~(B)~~ (C) ON OR BEFORE AUGUST 31 OF EACH YEAR WITH ITS ANNUAL BUDGET
15 SUBMISSION TO THE DEPARTMENT, AN AGENCY SHALL DEVELOP AND SUBMIT TO
16 THE DEPARTMENT AS PART OF THE BUDGET PROCESS A MANAGING FOR RESULTS
17 AGENCY STRATEGIC PLAN THAT SHALL INCLUDE:

18 (1) A MISSION STATEMENT;

19 (2) A DESCRIPTION OF THE AGENCY'S GOALS;

20 (3) A DESCRIPTION OF THE OBJECTIVES AND PERFORMANCE MEASURES
21 IMPLEMENTED AT THE PROGRAM LEVEL TO ACHIEVE THE AGENCY'S ~~GOALS;~~ GOALS,
22 INCLUDING:

23 (I) PERFORMANCE MEASURE STATISTICS FOR AT LEAST THE 2
24 MOST RECENTLY COMPLETED FISCAL YEARS; AND

25 (II) PERFORMANCE MEASURE ESTIMATES FOR THE CURRENT YEAR
26 APPROPRIATION AND BUDGET REQUEST YEAR;

27 (4) ~~AN OPERATIONAL DEFINITION AND DESCRIPTION OF EACH~~
28 ~~PERFORMANCE MEASURE; A DISCUSSION OF THE AGENCY'S PROGRESS IN MEETING~~
29 ~~ITS GOALS AND PERFORMANCE MEASURES AND ANY CHALLENGES THE AGENCY HAS~~
30 ~~FACED IN WORKING TOWARD ITS GOALS;~~

31 (5) ~~A DESCRIPTION OF THE METHODS AND INDICATORS DEVELOPED~~
32 ~~AND USED TO EVALUATE EACH PERFORMANCE MEASURE, INCLUDING A~~
33 ~~DESCRIPTION OF THE INTERNAL CONTROLS ESTABLISHED TO ENSURE RELIABILITY~~
34 ~~OF THE DATA COLLECTED FOR EACH PERFORMANCE MEASURE; AND~~

35 (6) AN IDENTIFICATION OF THE CUSTOMERS AND STAKEHOLDERS
36 ~~SERVED;~~ SERVED.

1 (D) AN AGENCY SUBJECT TO THIS SUBTITLE SHALL MAINTAIN
2 DOCUMENTATION OF THE INTERNAL CONTROLS ESTABLISHED TO EVALUATE
3 PERFORMANCE MEASURES THAT SHALL BE SUBJECT TO REVIEW BY THE STATE,
4 INCLUDING THE OFFICE OF LEGISLATIVE AUDITS.

5 (E) (1) THE DEPARTMENT SHALL PROVIDE A REPORT TO THE SENATE
6 BUDGET AND TAXATION COMMITTEE AND HOUSE APPROPRIATIONS COMMITTEE IN
7 JANUARY OF EACH YEAR ON THE CONTENTS OF THE STATE COMPREHENSIVE PLAN
8 AND THE STATE'S PROGRESS TOWARD THE GOALS OUTLINED IN THE PLAN.

9 (2) THE REPORT SHALL INCLUDE DETAILS ON EACH AGENCY'S
10 PROGRESS.

11 (3) THE SENATE BUDGET AND TAXATION COMMITTEE AND HOUSE
12 APPROPRIATIONS COMMITTEE MAY HOLD HEARINGS AFTER RECEIVING THE
13 REPORT.

14 (4) THE FIRST REPORT SHALL BE SUBMITTED ON OR BEFORE JANUARY
15 31, 2005 AND SHALL INCLUDE A PRESENTATION OF THE FIRST MANAGING FOR
16 RESULTS STATE COMPREHENSIVE PLAN.

17 ~~(7) AN ANALYSIS OF THE USE OF RESOURCES TO MEET THE AGENCY'S~~
18 ~~NEEDS, INCLUDING FUTURE NEEDS, AND AN ESTIMATE OF ADDITIONAL RESOURCES~~
19 ~~THAT MAY BE NECESSARY TO MEET FUTURE NEEDS; AND~~

20 ~~(8) AN ANALYSIS OF THE AGENCY'S PERFORMANCE MEASURE DATA,~~
21 ~~INCLUDING:~~

22 ~~(I) PERFORMANCE MEASURE STATISTICS FOR THE 2 MOST~~
23 ~~RECENTLY COMPLETED FISCAL YEARS;~~

24 ~~(II) PERFORMANCE MEASURE ESTIMATES FOR THE CURRENT YEAR~~
25 ~~APPROPRIATION AND BUDGET REQUEST YEAR; AND~~

26 ~~(III) WHETHER THE SELECTED PERFORMANCE MEASURES HAVE~~
27 ~~ASSISTED THE AGENCY IN MEASURING THE SUCCESS OF THE PREVIOUS FISCAL~~
28 ~~YEAR'S GOALS AND OBJECTIVES.~~

29 ~~(C) AN AGENCY SUBJECT TO THIS SUBTITLE SHALL MAINTAIN~~
30 ~~DOCUMENTATION OF THE INTERNAL CONTROLS ESTABLISHED TO EVALUATE~~
31 ~~PERFORMANCE MEASURES THAT SHALL BE SUBJECT TO REVIEW BY THE STATE,~~
32 ~~INCLUDING THE LEGISLATIVE AUDITOR.~~

33 ~~3-1004.~~

34 ~~(A) THE DEPARTMENT SHALL REPORT TO THE PLANNING COMMITTEE ON OR~~
35 ~~BEFORE:~~

1 (1) ~~OCTOBER 1 OF EACH EVEN NUMBERED YEAR ON THE AGENCY~~
 2 ~~OBJECTIVES AND PERFORMANCE MEASURES DEVELOPED IN THE MANAGING FOR~~
 3 ~~RESULTS AGENCY STRATEGIC PLAN; AND~~

4 (2) ~~MAY 1 AND NOVEMBER 1 OF EACH YEAR ON THE PROGRESS MADE BY~~
 5 ~~AGENCIES IN ACHIEVING THE GOALS DEVELOPED IN THE MANAGING FOR RESULTS~~
 6 ~~AGENCY STRATEGIC PLAN.~~

7 ~~(B) THE DEPARTMENT SHALL PRESENT TO THE SENATE BUDGET AND~~
 8 ~~TAXATION COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE ON THE~~
 9 ~~THIRD WEDNESDAY OF JANUARY OF EACH YEAR A REPORT ON THE PROGRESS OF:~~

10 (1) ~~AGENCIES IN ACHIEVING THE GOALS DEVELOPED IN THE~~
 11 ~~MANAGING FOR RESULTS AGENCY STRATEGIC PLAN; AND~~

12 (2) ~~THE PLANNING COMMITTEE ON MONITORING AND EVALUATING THE~~
 13 ~~GOALS DEVELOPED IN THE MANAGING FOR RESULTS STATE COMPREHENSIVE PLAN.~~

14 ~~(C) THE DEPARTMENT MAY ADOPT REGULATIONS NECESSARY TO~~
 15 ~~IMPLEMENT THE PROVISIONS OF THIS SUBTITLE.~~

16 3-1003.

17 THE SECRETARY SHALL REVIEW THE STRATEGIC PLANS AND THE STATE
 18 COMPREHENSIVE PLAN AND MAY RECOMMEND APPROPRIATE CHANGES TO AGENCY
 19 BUDGETS.

20 7-102.

21 (a) The General Assembly desires that, during preparation of a proposed
 22 budget, the Governor review, thoroughly and in detail, the recommendations of the
 23 Spending Affordability Committee ~~AND THE REPORT ON THE STATUS OF MANAGING~~
 24 ~~FOR RESULTS PREPARED BY THE PLANNING COMMITTEE AND MAKE CHANGES TO~~
 25 ~~THE BUDGET AS NECESSARY.~~

26 7-104.

27 (b) The Secretary shall include in the draft:

28 (1) ~~items for capital improvements; AND,~~

29 (2) ~~THE MANAGING FOR RESULTS AGENCY STRATEGIC PLAN PREPARED~~
 30 ~~BY AN AGENCY AS REQUIRED UNDER TITLE 3, SUBTITLE 10 OF THIS ARTICLE.~~

31 7-121.

32 (a) The budget books shall contain a section that, by unit of the State
 33 government, sets forth, for each program or purpose of that unit:

34 (1) the total number of officers and employees and the number in each
 35 job classification:

1 (i) authorized in the State budget for the last full fiscal year and
2 the current fiscal year; and

3 (ii) requested for the next fiscal year;

4 (2) the total amount for salaries of officers and employees and the
5 amount for salaries of each job classification:

6 (i) spent during the last full fiscal year;

7 (ii) authorized in the State budget for the current fiscal year; and

8 (iii) requested for the next fiscal year; [and]

9 (3) an itemized statement of the expenditures for contractual services,
10 supplies and materials, equipment, land and structures, fixed charges, and other
11 operating expenses:

12 (i) made in the last full fiscal year;

13 (ii) authorized in the State budget for the current fiscal year; and

14 (iii) requested for the next fiscal year; AND

15 (4) THE MANAGING FOR RESULTS AGENCY STRATEGIC PLAN REQUIRED
16 UNDER THIS ARTICLE THAT SHALL BE LIMITED TO A DESCRIPTION OF THE AGENCY'S
17 MISSION, GOALS, OBJECTIVES, AND PERFORMANCE MEASURES.

18 **Article - State Government**

19 2-1221.

20 (b) (1) Performance audits shall be conducted when authorized by the
21 Legislative Auditor, when directed by the Joint Audit Committee or the Executive
22 Director, or when otherwise required by law.

23 (2) A performance audit conducted by the Office of Legislative Audits
24 may include:

25 (i) a review of the efficiency, effectiveness, and economy with which
26 resources are used; [and]

27 (ii) a review to determine whether desired program results are
28 achieved; AND

29 (III) A REVIEW TO DETERMINE THE RELIABILITY OF PERFORMANCE
30 MEASURES, AS DEFINED IN § 3-1001(G) OF THE STATE FINANCE AND PROCUREMENT
31 ARTICLE, IDENTIFIED IN THE MANAGING FOR RESULTS AGENCY STRATEGIC PLAN
32 DEVELOPED UNDER ~~§ 3-1003(B)~~ § 3-1002(C) OF THE STATE FINANCE AND
33 PROCUREMENT ARTICLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the ~~terms of the initial~~
 2 ~~members of the Managing for Results Strategic Planning Committee established by~~
 3 ~~Section 1 of this Act who are subject to appointment end as follows:~~

4 (1) ~~four members in fiscal 2007;~~

5 (2) ~~four members in fiscal 2008; and~~

6 (3) ~~four members in fiscal 2009;~~ Department of Budget and Management
 7 shall continue its established, internal Managing for Results Steering Committee.
 8 The Department shall invite the participation of three members to provide insight
 9 into the use and purpose of Managing for Results by July 1, 2005. The three members
 10 shall include:

11 (1) one member of the Maryland Senate selected by the President of the
 12 Senate;

13 (2) one member of the House of Delegates selected by the Speaker of the
 14 House; and

15 (3) one budget analyst with the Office of Policy Analysis in the
 16 Department of Legislative Services selected by the Director of the Office of Policy
 17 Analysis.

18 ~~SECTION 3. AND BE IT FURTHER ENACTED, That on or before October 1,~~
 19 ~~2004, the Planning Committee shall report to the Governor and, subject to § 2-1246 of~~
 20 ~~the State Government Article, to the Senate Budget and Taxation Committee and the~~
 21 ~~House Appropriations Committee on the feasibility of providing agency or employee~~
 22 ~~rewards or incentives for achieving statewide goals or for establishing agency or~~
 23 ~~employee penalties or disincentives for failing to achieve statewide goals.~~

24 SECTION 3. AND BE IT FURTHER ENACTED, That on or before July 1, 2006,
 25 the Managing for Results Steering Committee within the Department of Budget and
 26 Management, in consultation with the Office of Legislative Audits, shall submit a
 27 report to the Senate Budget and Taxation Committee and House Appropriations
 28 Committee on the progress made in implementing, and the effectiveness of, the
 29 managing for results process as provided in this Act. This report shall include:

30 (1) a comparative analysis of the State's managing for results process
 31 with performance budgeting in other states;

32 (2) the extent to which State agencies have implemented internal controls
 33 as provided for by the Department of Budget and Management's operating budget
 34 instructions; and

35 (3) the extent to which the managing for results process is used by State
 36 agencies and the Department of Budget and Management in agency management,
 37 operations, and the development and adoption of agency budgets.

1 SECTION 4. ~~3.~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect July 1, 2004.